

# City of Madison, AL

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Final Presentation



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Minor League Ballpark and Multi-Purpose Venue Plan

- 1. Review scope of work and tasks completed-to-date**
- 2. Revisit comparable market comparisons**
- 3. Review benchmark attendance data and attendance projections**
- 4. Discuss preliminary ballpark program**
- 5. Outline conservative, moderate, and aggressive financial scenarios**
- 6. Discuss potential next steps**

## 1. Scope Item

### Status

### Notes

- Project Initiation  Complete  None
- Market Analysis  Complete  None
- Program & Budget  Complete  Budget items to be discussed further
- Financial Analysis  Complete  Discussed today
- Decision Support & Documentation  Delivered  Draft deliverable issued

Phase / Tasks	Month Week	December			January				February	
		1	2	3	4	5	6	7	8	9
Project Initiation Meeting / Tour			◇							
Document & Data Review										
Market Analysis										
Preliminary Program and Project Budget										
Interim Presentation						◇				
Financial Analysis										
Final Presentation									◇	
Issue Draft Briefing Document										
		◇ Client Visit								

1 Madison ranks **7th in market size (MSA)** and **4th in catchment area size**

2 Madison ranks 2nd in catchment area population as a function of the total market at 98%

3 Comparable market ballparks were all built between 2000 and 2015, classifying them as contemporary facilities

4 Madison ranks 2<sup>nd</sup> in the set in terms of average household income (\$82,000)

	Comparable Markets	MSA Pop.	Catchment Pop	Catchment % of MSA
1	North Little Rock, AR	744,977	492,229	66%
2	Pearl, MS	578,161	439,887	76%
3	Chattanooga, TN	557,248	456,178	82%
4	Pensacola, FL	557,248	456,178	77%
5	Corpus Christi, TX	460,247	381,892	83%
6	Springfield, MO	459,125	361,661	79%
7	<b>Madison, AL</b>	<b>456,495</b>	<b>446,897</b>	<b>98%</b>
8	Manchester, NH	410,527	548,887	134%
9	Biloxi, MS	398,588	247,950	62%
10	Montgomery, AL	370,702	307,537	83%

Note: Sorted by MSA population

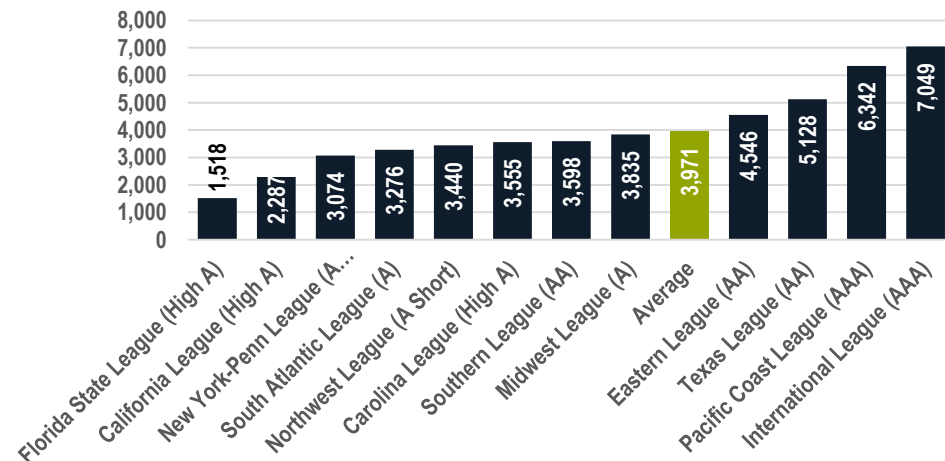
1

- B&D analyzed attendance by league and class over a five-year period. On average, MiLB teams attract nearly 4,000 paid attendees per game
- AA leagues average between 3,600 and 5,100 paid attendees
- Southern League averaged 3,600

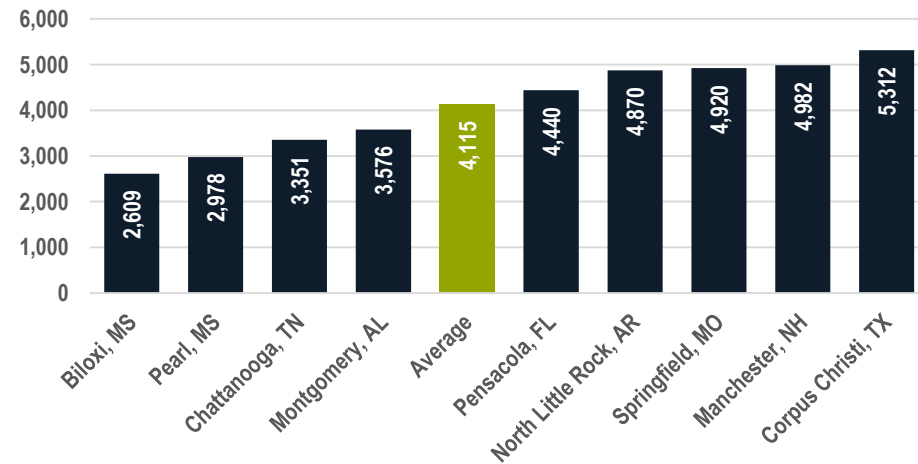
2

- Comparable market teams drew an average of 4,100 paid attendees per game
- Corpus Christi**, Manchester, and **Springfield** attracted the most paid attendees per game
- Markets attracted .71 annual patrons for every person in the catchment area (e.g. 71,000 annual attendees per 100,000 persons)

MiLB Attendance by League (Five-Year-Average)



Comparable Market Five-Year Average Attendance



Note: Frisco has the highest average attendance in AA baseball at 6,881 per game

Source: MiLB.com

1 Based on analyses described previously, B&D developed three scenarios of potential attendance levels (Conservative, Moderate, and Aggressive)

2 B&D projects capture ratios to fall between 70% and 78% in year five, with the moderate scenario (74%) being slightly above the comparable market average (71%)

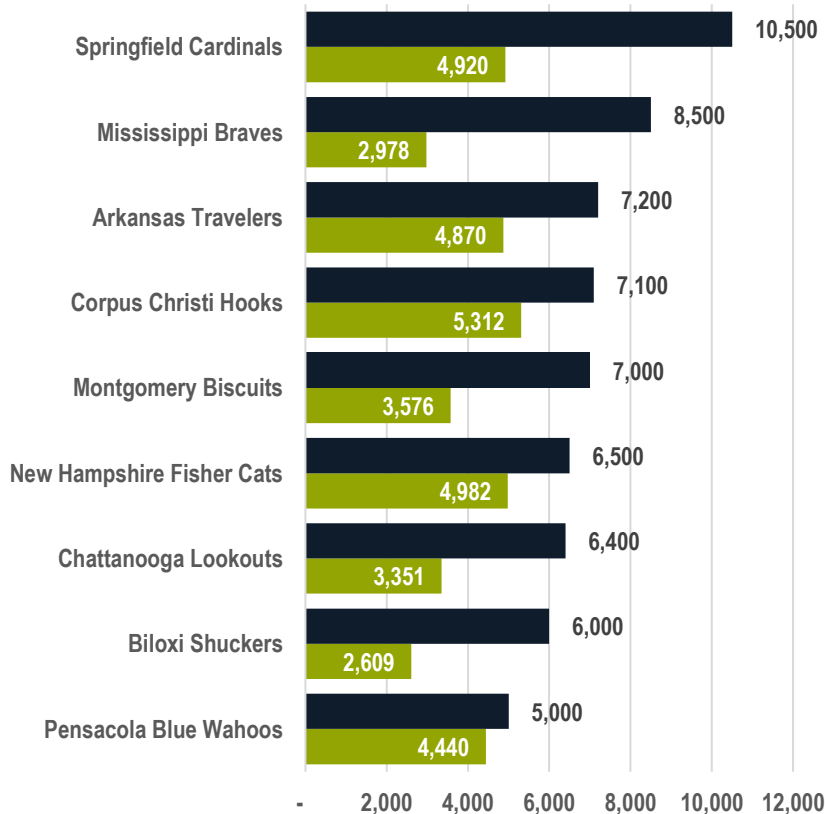
3 B&D's moderate scenario projects stabilized attendance will be approximately 330,700 annually and 4,724 per game in year five

4 B&D utilizes a slightly higher capture ratio because of strong market wealth, limited in-market competition

Attendance Scenarios	Catchment Population	Year					
		1	2	3	4	5	6
Conservative Capture	446,897	83%	83%	80%	77%	74%	70%
Moderate Capture	446,897	87%	87%	84%	81%	78%	74%
Aggressive Capture	446,897	91%	91%	88%	85%	82%	78%
Conservative Annual Attendance		369,360	369,360	356,620	343,890	331,150	314,170
Moderate Annual Attendance		388,800	388,800	375,390	361,990	348,580	330,700
Aggressive Annual Attendance		408,240	408,240	394,160	380,090	366,010	347,240
Conservative per Game		5,277	5,277	5,095	4,913	4,731	4,488
Moderate per Game		5,554	5,554	5,363	5,171	4,980	4,724
Aggressive per Game		5,832	5,832	5,631	5,430	5,229	4,961

Note: Per game attendance relies on 70 openings

## Attendance as a Function of Capacity (Five-Year Average)



### ✓ Total Capacity: 6,000

#### ✓ Fixed Seats: 4,800

- GA: 4,108
- Club Seats: 500
- Suites: 16 (192 seats)

#### ✓ Berm Seating: 1,000

#### ✓ Party Decks: 2 (100 capacity each)

1

B&D's capacity recommendation would minimize both capital and operating costs while accommodating market demand

2

Average per game attendance as a function of comparable market ballpark capacity is just **60%**; the average ballpark has a capacity of 7,133

Revenues	2020	2025
1 Gate Receipts, Net	\$ 3,586,000	\$ 3,443,000
2 Concessions/Catering, Net	\$ 1,617,000	\$ 1,609,000
3 Merchandise/Novelties, Net	\$ 263,000	\$ 192,000
4 [1] Parking, Net	\$ 372,000	\$ 367,000
5 Luxury Suites, Net	\$ 359,000	\$ 377,000
6 Club Seats, Net	\$ 748,000	\$ 786,000
7 Loge Boxes, Net	\$ -	\$ -
8 Party Suites, Net	\$ 108,000	\$ 126,000
9 Advertising & Sponsorship, Net	\$ 1,353,000	\$ 1,568,000
10 [1] Naming Rights, Net	\$ 298,000	\$ 298,000
11 Secondary Tenant, Net	\$ -	\$ -
12 [1] Other Revenue, Net	\$ 131,000	\$ 131,000
<b>Team Net Revenues</b>	<b>\$ 8,835,000</b>	<b>\$ 8,897,000</b>
Expenses	2020	2025
13 General and Administrative	\$ 3,978,000	\$ 4,612,000
14 Team Operations	\$ 318,000	\$ 369,000
15 Ballpark Operations	\$ 796,000	\$ 922,000
16 Marketing	\$ 477,000	\$ 553,000
17 Revenue Guarantee	\$ 1,000,000	\$ 1,000,000
18 Add'l. Team Contribution	\$ 164,000	\$ 226,575
19 [2] Operational Contribution	\$ 836,000	\$ 773,425
<b>Team Expenses</b>	<b>\$ 6,569,000</b>	<b>\$ 7,456,000</b>
<b>NOI (EBITDA)</b>	<b>\$ 2,266,000</b>	<b>\$ 1,441,000</b>
<b>Operating Margin</b>	<b>26%</b>	<b>16%</b>

1

B&D developed an operating pro forma depicting estimated annual operations for a MiLB Franchise

2

Revenue and expense assumptions are based on market analyses, professional expertise, and input from MiLB resources

3

Franchise net operating income (EBITDA) is estimated at \$2.27 million in year one, declining to \$1.44 million in year six

4

Expenses include a \$1 million revenue guarantee through a combination of revenue sources



1

- B&D developed three attendance scenarios: Conservative, Moderate, and Aggressive. The Moderate is assumed to be the most likely outcome

2

- Multiple attendance scenarios serve as the basis for projecting the range of franchise operating economics

3

- Decline in operating performance is due to a “honeymoon” period in which the franchise generates elevated attendance levels in its initial years

	Conservative		Moderate		Aggressive	
	2020	2025	2020	2025	2020	2025
Revenues	\$8,364,000	\$8,417,000	\$8,835,000	\$8,897,000	\$9,319,000	\$9,391,000
Expenses	\$6,251,000	\$7,088,000	\$6,569,000	\$7,456,000	\$6,888,000	\$7,826,000
NOI (EBITDA)	\$ 2,113,000	\$ 1,329,000	\$ 2,266,000	\$ 1,441,000	\$ 2,431,000	\$ 1,565,000
Capital Expenditures	(\$175,000)	(\$175,000)	(\$175,000)	(\$175,000)	(\$175,000)	(\$175,000)
Operating Margin	25%	16%	26%	16%	26%	17%

- 1. Incorporate Comments and Provide a Final Deliverable**
- 2. Reconcile Program and Design According to Budgetary Parameters**
- 3. Finalize the Project Concept and Agreements**
- 4. Navigate the Pre-Implementation Phase**
- 5. Manage the Construction Phase**
- 6. First Pitch in April 2020!**

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Questions?